

Message Text

UNCLASSIFIED

PAGE 01 BOGOTA 01431 201442Z

73

ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-10 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01

USIA-15 DRC-01 /172 W

----- 103412

R 192214Z FEB 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 1381

INFO AMEMBASSY CARACAS

AMEMBASSY QUITO

AMCONSUL CALI

AMCONSUL MEDELLIN

UNCLAS BOGOTA 1431

E O 11652 NA

TAGS ENRG CO

SUBJ: ENERGY: GOC INCREASES PRICE FOR NEW PETROLEUM PRODUCTION

1. COLOMBIAN GOVT ON FEB 16 ANNOUNCED PRICE INCREASE TO U S FOUR DOLLARS PER BARRELL FOR NEW REPEAT NEW PETROLEUM PRODUCTION SOLD TO DOMESTIC REFINERIES. FOUR DOLLAR BASE PRICE IS FOR 26 API FOB REFINERY. U S THREE CENT INCREASE OR DECREASE PROVIDED FOR EACH WHOLE GRAVITY POINT VARIATION WITH 20 API MINIMUM AND 35 API MAXIMUM. PRICE ADJUSTMENT ALSO POSSIBLE IF TRANSPORTATION COSTS EXCEED U S 40 CENTS PER BARREL.

2. NEW PRICE DECREE DOES NOT AFFECT U S 1.64 AVERAGE PRICE FOR EXISTING PRODUCTION. PETROLEUM EXCHANGE RATE, RETAIL GASOLINE PRICES AND URBAN TRANSPORT SUBSIDIES ALSO NOT AFFECTED. MIN OF MINES OFFICIALS INDICATE NO ACTION IN THESE AREAS WILL TAKE PLACE UNDER PRESENT ADMINISTRATION.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BOGOTA 01431 201442Z

3. REACTION OF PRIVATE OIL COMPANIES TO DECREE IS MIXED.
THOSE NOT PROPONENTS OF PERPETUAL PESSIMISM AGREE, HOWEVER
THAT GIVEN COLOMBIAN TAX STRUCTURE RATE OF RETURN PROBABLY
WOULD BE EQUIVALENT TO THAT IN MOST OTHER COUNTRIES. WHILE
INVESTMENT DECISIONS WILL VARY ACCORDING TO OVERALL COMPANY
POLICIES, EMB WOULD EXPECT NEW PRICE TO OFFER SUBSTANTIAL
INCENTIVE FOR NEW EXPLORATION. AIRGRAM FOLS WITH DETAILS.
WHITE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, PETROLEUM INDUSTRY, EXPLORATION, LAW, PRICES, FOREIGN EXCHANGE RATES, TRANSPORTATION SUBSIDIES, INCENTIVES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BOGOTA01431
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740225/aaaaaxmx.tel
Line Count: 69
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 06 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 MAR 2002 by elbezefj>; APPROVED <02 DEC 2002 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: GOC INCREASES PRICE FOR NEW PETROLEUM PRODUCTION
TAGS: ENRG, CO, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005